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DIRECTORATE OF INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

State Department review completed

Top Secret 114

30 June 1967

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Information as of 1600 30 June 1967

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HIGHLIGHTS

Following four days of intensive, highly charged meetings of South Vietnam's generals, it was publicly announced in Saigon on 30 June that Chief of State Thieu and Premier Ky have joined forces on a single presidential ticket headed by Thieu.

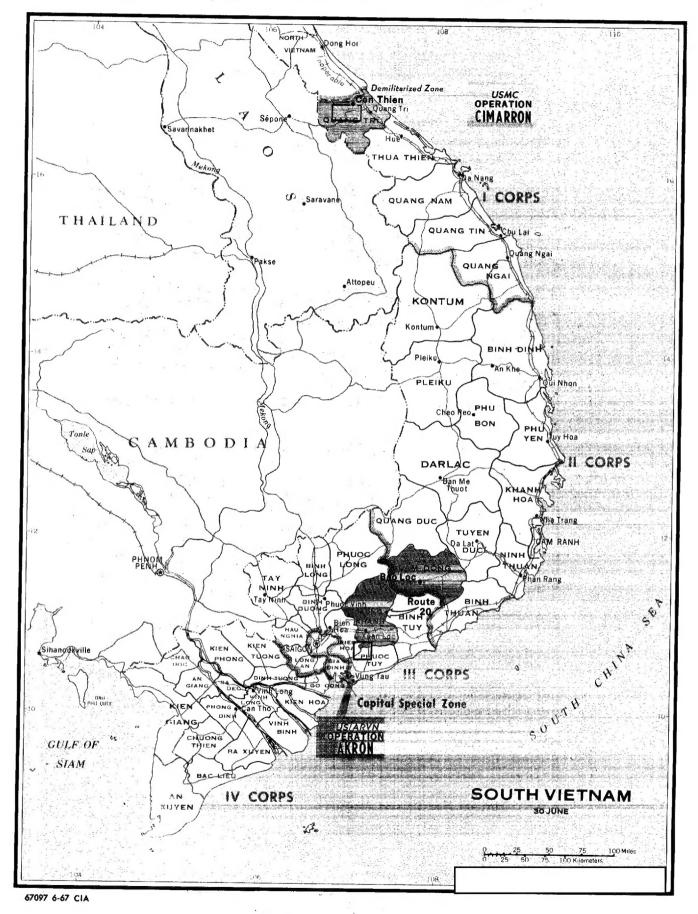
- I. The Military Situation in South Vietnam:
 US Marines participating in Operation CIMARRON in
 Quang Tri Province report sporadic contact with the
 enemy and the discovery of several bunker complexes
 (Paras. 1-2). Joint US South Vietnamese operation
 AKRON ended with nearly 100 enemy soldiers reported
 killed (Paras. 3-4). Viet Cong guerrillas destroy
 five bridges on Route 20 in Lam Dong Province (Paras.
 7-8).
- Chief of State Thieu will head a presidential ticket with Premier Ky as his vice-presidential running mate (Paras. 1-4). Exiled General "Big" Minh has reportedly used a proxy to file his papers as a presidential candidate before the deadline (Paras. 5-7).
- III. Military Developments in North Vietnam: There is nothing of significance to report.
- IV. Other Communist Military Developments: There is nothing of significance to report.
- V. Communist Political Developments: Cuba has become the first nation to name an ambassador to the Liberation Front (Paras. 1-3).

 Moscow has protested the alleged bombing or one of its ships in Haiphong harbor (Paras. 9-11).
- VI. Other Major Aspects: North Vietnam's early rice crop will probably not alleviate the food shortage in the DRV (Paras. 1-3).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. No new large-scale fighting was reported on 29-30 June, although sporadic contact with the enemy continued in widely scattered areas of the country.
- 2. US Marines of Operation CIMARRON reported several encounters with Communist forces near Con Thien in northernmost Quang Tri Province on 29-30 June. This multibattalion sweep operation has been operating just south of the DMZ in search of enemy troop concentrations and rebuilt and reoccupied enemy positions. Earlier this week, Marine patrols discovered and destroyed ten heavily constructed bunkers near Con Thien. On 27 June, a complex of 65 bunkers was located. Some of the bunkers appeared to have been occupied less than 12 hours before they were discovered.

Operation AKRON Ends

- 3. Operation AKRON, comprising US infantrymen and South Vietnamese rangers, supported by elements of the US 11th Armored Cavalry Regiment, ended on 29 June. Ninety-four Communist soldiers were reported killed since 9 June in this sweep through the jungles of southwestern III Corps. US casualties were 15 killed and 78 wounded.
- 4. The heaviest contact during the operation occurred on 19 June when an estimated battalion-size Viet Cong force attempted to overrun an 11th Armored Cavalry unit. Fifty-six of the enemy were killed in the assault.
- 5. Just north of Operation AKRON, in southwestern Long Khanh Province, intermittent contact with the enemy continued on 29 June in a battle involving another South Vietnamese ranger unit and other elements of the US 11th Armored Cavalry Regiment. There has been no additional information on 161 rangers who are listed as missing in this engagement.
- 6. Communist activity has increased appreciably in southeastern III Corps in recent weeks. The Viet Cong 5th Light Infantry Division, which traditionally operates in the region, has received reinforcements from North Vietnam this spring and has become increasingly aggressive.

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Five Bridges Struck by the Viet Cong in Lam Dong Province

- 7. Viet Cong saboteurs, in an attempt to interdict strategic allied lines of communications, attacked five bridges on Route 20 southwest of the provincial capital of Bao Loc in central Lam Dong Province on 29 June. Four of the bridges were blown up within ten minutes, indicating this effort to limit military and civilian road traffic between Bao Loc and Saigon was well planned. Large amounts of farm produce destined for Saigon are transported on this road.
- 8. The security situation in Lam Dong Province has recently deteriorated because of widespread corruption of officials throughout the province. Because of this corruption the provincial government has been losing popular support.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

l. Chief of State Thieu and Premier Ky have joined forces on a single presidential ticket headed by Thieu, the Directorate press secretary announced on 30 June. The official announcement followed four days of intensive, highly-charged meetings of the military members of the Directorate and the approximately 50-man Armed Forces Congress, the supreme military authority in South Vietnam. Thieu and Ky's official papers have already been submitted to the Provisional National Assembly for approval, which should be routine.

3. As it stands now, Thieu has emerged as the apparent victor for the moment in the test of strength that both he and Ky had studiously avoided for months. Although Ky had built up support within the Directorate for some time, Thieu's strength was thought to lie in the larger Armed Forces Congress in which his army colleagues were more strategically represented. In the showdown on the 29th and 30th, it appears that Thieu's latent resources rallied around him in sufficient strength to force Ky into a compromise solution. Ky, however, remains premier during the two months remaining before the election and still is a powerful figure.

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4. A whole new set of problems will now have to be worked out by the generals, since any future relationship between Ky and Thieu will probably reflect the tensions of the past days and the struggle for predominance. Moreover, the allocation of power in the remaining two months before the election will probably be cause for further controversy. The nature of their campaign and potential military support for the new presidential slate will also probably be reviewed and altered.

"Big" Minh Files Candidacy by Proxy

5. "Big" Minh reportedly circumvented the Directorate's attempts to keep him from becoming a presidential candidate by having his vice-presidential designate, Tran Ngoc Lieng, fulfill the necessary requirements regarding his presidential application in Saigon, before the filing deadline. It is still not clear whether the Provisional National Assembly has declared that the papers are in order, but it appears likely that it will.

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- 6. If Minh's application is approved by the assembly, the Directorate will be faced once again with having to decide whether to let him return before the election. If he does return to run, the whole complexion of the presidential contest will have again been altered.
- 7. Lieng, Minh's running mate, was Ky's social welfare minister until he resigned last fall during the controversy prompted by Loan's harsh tactics against a Southern subcabinet official. He is a southern Buddhist and a lawyer.

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- III. MILITARY DEVELOPMENTS IN NORTH VIETNAM
 - IV. OTHER COMMUNIST MILITARY DEVELOPMENTS
 - 1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

- 1. The Cuban Government has become the first nation to name an ambassador to the National Front for the Liberation of South Vietnam (NFLSV). In an announcement on 30 June, Havana designated Raul Valdes Vivo, a career newspaperman who has traveled to and written extensively on Vietnam, as ambassador extraordinary and plenipotentiary to the NFLSV.
- 2. The Front first established a "representation" in Havana in August 1962 which, in December 1965, was raised by the Cuban Government to the status of an "official diplomatic representation with all the appropriate prerogatives and diplomatic immunities." With the exception of Cuba and Cambodia, which granted the Front diplomatic status this month, all the Front missions abroad including those in Communist countries are accredited only to unofficial popular organizations and have only semidiplomatic status.
- 3. The Front will certainly use this recognition to bolster its contention that it is the "sole, legitimate representative of the South Vietnamese people." It, will, however, find it quite difficult to establish the normal facilities for an ambassador and Valdes, who is also accredited to the Cambodian Government, will probably reside in Phnom Penh.

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Moscow Protests Alleged Bombing of Soviet Freighter	
9. The Soviet Union has delivered a note to the US Embassy in Moscow protesting the alleged bombing of the Soviet freighter Mikhail Frunze in Haiphong harbor on 29 June.	
10. The note claims the bombing shows that American assurances that efforts to avoid such incidents—made after the US admitted responsibility for strafing the Turkestan on 2 June—are not being carried out. The note, however, is not worded as stiffly as the one which protested the Turkestan incident in which Soviet seamen were injured.	
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VI. OTHER MAJOR ASPECTS

- 1. A North Vietnamese radiobroadcast on June made only modest claims for the DRV's early rice crop. This crop, which amounts to somewhat less than a third of the total DRV rice harvest, will thus probably not help alleviate the tight food situation created by poor rice harvests in 1966.
- 2. The broadcast claimed that the spring crop was "fairly good," but that bumper yields were made only in one important rice growing province and a few localities in marginal rice growing areas.

this crop has had difficulties since it was planted. Even its planting was delayed because of distuptions caused by the war. In addition to the usual difficulties caused by weather and insects, the acreage planted was below average because of the diversion of some lands to cultivation of rice substitutes to help make up the food shortage.

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3. Available information suggests that the present early rice crop may not equal the average of 1.5 million tons of recent years, and that the regime will have to rely heavily on its major rice crop--harvested in late fall--to improve the food situation. Meanwhile, the regime will have to continue importing large amounts of food. Food imports have run at a record rate since the beginning of 1967; about 173,000 tons of grain and grain products from free world and Communist countries have been delivered by sea to North Vietnam this year. Total grain imports in all of 1966 were only 47,500 tons.

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